



June 30, 2009

VIA ELECTRONIC TRANSMISSION

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

RE: Notice of Ex Parte Presentation  
of the Association of Hispanic Advertising Agencies  
(AHAA)  
In MB Docket No. 08-187

Dear Ms. Dortch:

This letter will serve as notice that on June 4, 2009, Gisela Girard, Chair of the Association of Hispanic Advertising Agencies (AHAA) and president of Creative Civilization; Esther Novak, AHAA board member and founder/CEO of Vanguard Communications; Daisy Expósito-Ulla, AHAA board member and partner d expósito & Parnters, LLC; and I met with Commissioner McDowell and Rosemary Harold at the FCC headquarters building. We met on behalf of AHAA agencies and members, and the Hispanic-specialized media and advertising industry to assist in the efforts to document, correct and avoid the potentially devastating impact of Arbitron's Portable People Meter ("PPM") methodology on the minority radio industry and related businesses.

In our meeting with Commissioner McDowell, we supported the issuance of inquiry regarding the reliability of Arbitron's PPM sampling methodology. We notified him that AHAA leaders met with Arbitron CEO Michael Skarzynski and his senior management team on May 21, 2009 to seek resolution on sampling issues. We indicated that the team proposed some options to help agencies and media buyers until effective improvements are made to PPM sampling of Hispanic audiences. While some dialogue was established, our requests: 1) to stop the roll out of PPM in other markets until it is accredited by the Media Ratings Council, and 2) to allow agencies and media buyers to continue to plan and buy radio using the diary in combination with PPM until it is MRC accredited, were both rejected.

We noted that although some improvements are being implemented based on the settlements reached between Arbitron and the Attorneys General of New York, New Jersey, and Maryland, the changes are not delivering accurate representation of Hispanic listeners and are slow to be implemented.

We indicated that we had met with members of Congress from Florida, Texas while in Washington, DC on June 4<sup>th</sup> to urge them to request an investigation by their respective Attorneys General. We also noted that we met with the senior legislative aide to Nydia Velázquez to update him on our meeting with Arbitron and request continued support from the Small Business and Financial Services Committees of Congress. Copies of the two press releases from AHAA indicating the organization's concerns with PPM were provided to the legislators and are attached to this document as well.

Our concerns with Arbitron's PPM remain consistent as set forth in the recent update to AHAA members, which is attached. AHAA represents 98 percent of the Hispanic-specialized marketing and advertising agencies in the country and as we indicated to Commissioner McDowell, AHAA members, based on a recent survey indicated that advertisers are beginning to question the value of radio. We discussed how the effects of PPM's flawed data could be devastating to an entire industry including related businesses such as our agencies. We noted that the roll out of PPM needs to be stopped until issues are corrected and MRC accreditation is attained and maintained.

We informed the Commissioner that AHAA joined the MRC and that the organization intended to file comments in response to the FCC Notice of Inquiry. We expressed our appreciation for the meeting and urged help in any way possible to save the industry.

Please let us know if you have any questions or would like any further information about AHAA's position on PPM and our issues.

Sincerely,

A handwritten signature in cursive script that reads "Elinor Kinnier".

Elinor Kinnier  
Communications Manager for the  
Association of Hispanic Advertising Agencies

**Statement from:**

**THE ASSOCIATION OF HISPANIC ADVERTISING AGENCIES  
regarding Arbitron's settlement with the states of New York and New  
Jersey over Portable People Meter (PPM) accuracy**

**FOR IMMEDIATE RELEASE**

**Contact: Elinor Kinnier**  
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**703-610-0204**

**McLEAN, Va., January 9, 2009** — The Association of Hispanic Advertising Agencies (AHAA) shared with its members the encouraging news of Arbitron's agreement to settle with the states of New York and New Jersey to resolve the sampling methodology issues surrounding the Portable People Meter (PPM) radio audience measurement tool. Members of AHAA's PPM task force worked diligently with Arbitron representatives to communicate and address the concerns of the Hispanic-specialized marketing industry and we look forward to working with them further on the modifications they will be implementing. Wednesday's announcement by the Attorneys General Cuomo (NY) and Milgram (NJ) was a significant breakthrough to ensure accurate representation of Hispanic radio listeners and preserve a critical marketing medium for this powerful population.

Based on the information released in statements by the Attorneys General, AHAA applauds the steps to be taken by Arbitron to "adopt new standards to cure flaws in its PPM methodology," as required in its agreements with the states.

"While the New York and New Jersey settlements are significant victories for Hispanic specialized marketing and media, these important changes to the PPM methodology need to occur nationwide in markets in which the PPM rating system is proposed or is being implemented currently," says José López-Varela, AHAA chairman. "Spanish-language radio stations are the lifeblood of Latino communities and provide a vital connection between brands and consumers. The current PPM methodology poses severe consequences on our entire industry and although New York and New Jersey will be rectified, we remain concerned about our business in the rest of the country. In fact, we are puzzled by a comment from an Arbitron executive in response to the settlement indicating that 'broadcasters, agencies, and advertisers in New York can continue to use PPM measurement of radio without any hesitation or reservation.'"

“The flawed ratings and inaccurate representation of our market using PPM prohibits AHAA agencies from effectively doing their jobs and delivering results for their clients. When a research sample is inaccurate, the research is invalid and the current PPM sample is *unsound*. On behalf of the AHAA member agencies and our Spanish-language radio partners, we are pleased with the outcome of this issue and appreciate the follow through of the Attorneys General to ensure that Arbitron adheres ‘to rigorous standards to make PPM a better product.’ In the end, that was the goal of AHAA and its PPM Task Force.

“We were pleased to see that the settlement included MRC accreditation and a bias study, which should prove beneficial to Arbitron in making appropriate modifications to the sampling. These are great first steps and we look forward to continuing to work with Arbitron, as we have since the introduction of PPM, to secure valid radio ratings data for the Hispanic market.”

AHAA appreciates the swift action taken by Attorneys General Cuomo and Milgram, as well as their commitment to fairness and the protection of civil rights and sound business practice in their states.

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# **A Communication to Members of the ASSOCIATION OF HISPANIC ADVERTISING AGENCIES (AHAA)**

**From AHAA Chair, Gisela Girard, president, Creative Civilization  
& the AHAA Touchpoint Committee, PPM Task Force**

## **POINT OF VIEW ON PORTABLE PEOPLE METER (PPM)**

### **AHAA Unites with Hispanic Broadcasters on Critical Improvements to PPM Sampling Methodology**

#### ***AHAA Urges Arbitron to Produce Valid Radio Ratings Data for the Hispanic Market...Fast***

The Hispanic-specialized advertising industry is facing a serious challenge with PPM implementation and is working closely with broadcasters and Arbitron to resolve sampling methodology issues. At the end of May, AHAA PPM Task Force Chair Isabella Sanchez, senior vice president of Tapestry and AHAA Vice Chair Jessica Pantanini, COO of Bromley, met with Arbitron CEO Michael Skarzynski and his senior management team to gain a better understanding of the chasm between high station rankings and ratings reflected in the diary sample versus the drastic declines reflected in recent PPM data.

Additionally, members of the AHAA Board of Directors met with members of Congress in Washington on June 4<sup>th</sup> to urge representatives to drive PPM change through their respective Attorneys General offices. While in Washington, they also met with Federal Communications Commissioner (FCC) Robert McDowell to petition further investigation and pledge the industry's support of the FCC inquiry into PPM. AHAA is filing comments with the FCC this week independently on behalf of the Hispanic-specialized advertising industry, as well as with the PPM Coalition. AHAA joined the PPM Coalition last September and AHAA's Board of Directors voted unanimously as the first act of membership to sign the petition for Section 403 inquiry by the FCC that formally questions the accuracy of PPM sampling and methodology.

The PPM Coalition comprises companies and public interest organizations in the broadcasting and advertising industries. PPMC members seek to document and correct the potentially devastating adverse impact of Arbitron's PPM methodology on minority participation in the radio industry and the radio industry's service to minority audiences. Members include: the National Association of Black Owned Broadcasters (NABOB); the Spanish Radio Association (SRA); the Minority Media and Telecommunications Council (MMTC); Border Media Partners (BMP); Entravision Communications

Corporation; ICBC Broadcasting Holdings, Inc. (ICBC); Spanish Broadcasting System, Inc. (SBS); Univision Communications, Inc.; and AHAA.

While AHAA supports the move to electronic measurement, our goal is to ensure the sampling methodology is reliable and fair so that AHAA agencies and members can adequately deliver consumers — and ultimately sales — for advertisers. AHAA has a fiduciary responsibility, as stewards of our clients' money, to ensure the legitimacy of PPM audience representation and are committed to continue to working with Arbitron to make necessary changes.

AHAA is concerned that Arbitron continues to roll out PPM in select markets across the country despite concerns raised by AHAA and the cultural broadcasting industry. AHAA believe the PPM sample quality and size for Hispanic listeners remains flawed and is providing a distorted view of Hispanic radio audiences. Arbitron is focusing on trying to improve the numbers; however we need sustainable change and improvement to the sample.

Our critical message to Arbitron remains consistent:

- Increase the number of cell-phone only households
- Raise the Designated Delivery Index (DDI) benchmark
- Increase the Sample Performance Indicator (SPI)
- Include country of origin in the reporting and use that information in sampling to adequately reflect population composition
- Become MRC accredited. (NOTE: AHAA recently joined the Media Ratings Council (MRC) to participate, on behalf of the industry, in discussions and voting on accreditation of media measurement tools such as PPM.)

Hispanic listeners fall out of a broad general market demographic of persons 18 years to 49 years with a 90 percent confidence and a +/- .2 interval. The PPM data doesn't allow for deep analysis into sub-sets of the broader demographic, which is essential to Hispanic-specialized agencies when developing targeted radio campaigns. Additionally, the Hispanic sample skews old and does not accurately reflect the ethnic composition of the Latino population in a given market. The bottom line is that PPM data doesn't provide the granularity and confidence levels for specific demographic cells for AHAA agencies to effectively recommend radio plans with confidence.

In a recent survey of AHAA member agencies, it indicated that PPM is inhibiting them from effectively planning and purchasing radio for their clients. Additionally, with the announcement from Univision and Spanish Broadcasting System (SBS) that these radio giants will not encode until PPM is accredited by MRC, the job of media buying will be made even more difficult. The data for entire markets will be unusable making a bad situation even worse for advertising and media buying agencies.

Inaccurate ratings, and now data that doesn't include a majority of stations in select markets, is forcing agencies to recommend radio for advertisers based on historical

knowledge of the stations' performance rather than their clients' objectives. While the consequences aren't devastating to agencies and advertisers yet, advertisers will begin to question the reliability of radio to deliver sales because the PPM ratings are not representing the buying audience.

The relative cost and rationale for including radio in our media plans will be increasingly difficult to justify to clients. The drop in ratings has driven up the cost per point (CPP) and Spanish-language broadcasters are experiencing devastating effects to their businesses. Many smaller station owners may be forced to close eliminating a vital lifeline to critical information for Latino communities.

AHAA is pushing Arbitron for significant, two-way dialogue and partnership to correct the problems, which Arbitron has agreed to facilitate. We want transparency and cooperation to dig deeper into the results and achieve resolution to the issues remaining. AHAA pledges support to protect the interests of our agencies and media, our clients' budgets, and Latino communities across the country, and the Board of Directors and PPM Task Force will continue to work to ensure accurate representation of Hispanic radio listeners.

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**FOR IMMEDIATE RELEASE**

**Contact: Elinor Kinnier**  
**703-610-0204**  
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**Association of Hispanic Advertising Agencies (AHAA)**  
**Denounces Arbitron's Advance Launch of PPM**  
*Arbitron's Indifference to PPM's Flawed Methodology and*  
*Misrepresented Cultural Sampling Will Undercut Hispanic Radio Stations*

McLEAN, Va., October 7, 2008 — Leaders of the Association of Hispanic Advertising Agencies (AHAA) expressed disappointment and concern over today's premature launch of Arbitron, Inc.'s Portable People Meter (PPM), which was not scheduled for commercialization until October 8<sup>th</sup>. AHAA joins the cultural broadcasting community in criticizing the new PPM radio ratings system citing flawed methodology and sampling issues. Despite numerous attempts at resolution, and increased political and legal pressure, Arbitron moved ahead with its planned rollout of PPM without reform, which may cause devastating financial effects on Hispanic broadcasters and agencies, and eventually may mean the demise of many cultural stations.

“The reckless, irresponsibility of Arbitron's release of PPM without addressing the methodology and sampling issues is reprehensible,” says José López-Varela, chairman of AHAA. “It is an economic travesty to consider that an entire industry of cultural radio broadcasters may be wiped out because Arbitron executives wanted to collect their reward for an on-time launch rather than improve ratings accuracy. Minority stations are feeling the pressure of Arbitron's monopoly on radio ratings and today, the company flexed its corporate muscle again creating even more problems and issues for cultural stations by insisting they begin using PPM today. The deceitful and manipulative move to strong arm stations and the advertising community again is shameful.”

AHAA is the national trade association representing 98 percent of the country's Hispanic-specialized agencies. As stewards of their clients' money and generally the professionals who place the media buys for corporate marketers, agencies voiced their collective concern over the validity of PPM through AHAA's PPM Task Force chaired by Isabella Sánchez, senior vice president of Tapestry.

Arbitron's today stated that the move to commercialize PPM was, "to meet obligations to customers and to the radio industry." But AHAA agencies are frustrated because the move to PPM currency before resolving sampling concerns indicates the exact opposite: the company's lack of obligation to Spanish-language broadcasters and the listeners they serve.

"The rights of Hispanic listeners are at stake," says López-Varela. "AHAA agencies are accountable to advertisers and the consumers our clients serve, and we understand the risks invalid ratings may have on the entire community. Many U.S. Latinos rely on Spanish-language radio for essential information about their health, welfare and well-being. It's a vital link to Latino communities in the U.S. and the move to PPM without accurate representation of Hispanic listeners will cause stations to lose ratings and skew market rankings.

"Some Spanish-language stations in PPM pre-test markets have experienced decreases in ratings and revenue of 50 to 70 percent and these are the numbers our clients – marketers - use when buying media. Arbitron executives have failed to acknowledge the severity of our concerns. If Arbitron executives spent as much time and effort trying to resolve the sampling issues as they have ensuring an on-time launch to reap the financial incentives dangling in front of them, this issue could be resolved."

The Hispanic advertising and broadcasting industries stepped up in April to work together with Arbitron to address the gaps in accurate representation of ethnic communities. Rather than listening and acting, Arbitron executives defended the PPM methodology and refused to consider suggested changes.

“As an industry, we support the move to a more precise measurement tool in PPM,” says Sanchez. ““What we don’t support is the misrepresentation of Latino listeners and the potential downfall of Spanish-language radio should Arbitron not improve the sample. We will continue pushing Arbitron to solve the issues so that they do get the sample right. In the meantime, we will all be working closely with our clients so that they don’t get the impression that the new PPM numbers are reflective of what is happening in radio listening.”

AHA will continue to support the PPM Coalition efforts, as well as legislative and legal action against Arbitron that is already in process.

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About AHAA:

The Association of Hispanic Advertising Agencies (AHAA) is the national organization of firms that specialize in marketing to the nation's 46 million Hispanic consumers, the most rapidly growing segment of the American population. AHAA promotes the strength of the Hispanic marketing and advertising industry to the private and public sectors.

AHAA agencies offer a unique blend of cultural understanding, market intelligence, proven experience and professionalism that deliver Hispanic market success for clients. AHAA agencies help organizations gain market share, increase revenue and grow profits by building the bridges and delivering the messages to reach America's Hispanic consumers, who together have an estimated buying power of nearly \$930 billion.